ATXI Exhibit 17.0N

NEED TESTIMONY

ILLINOIS COMMERCE COMMISSION

DOCKET No. 14-0514

REBUTTAL TESTIMONY ON PROJECT NEED

OF

TODD SCHATZKI

Submitted On Behalf

Of

AMEREN TRANSMISSION COMPANY OF ILLINOIS

and

MIDAMERICAN ENERGY COMPANY

March 5, 2015

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I. INTRODUCTION, PURPOSE AND SUMMARY OF CONCLUSIONS

Q. Please state your name and business address.

A. My name is Todd Schatzki. I am employed by Analysis Group, Inc. (Analysis Group), where I am a Vice President in the Boston office. Analysis Group is a firm that provides microeconomic, strategy and financial analyses. My business address is 111 Huntington Avenue, 10th Floor, Boston, MA 02199. Analysis Group has more than 600 employees and offices in Beijing, Boston, Chicago, Dallas, Denver, Los Angeles, Menlo Park, Montreal, New York City, San Francisco and Washington, D.C.

Q. Are you the same Todd Schatzki who previously submitted direct testimony on Project need in this proceeding?

A. Yes, I am.

Q. What is the purpose of your rebuttal testimony on Project need in this proceeding?

A. The purpose of my rebuttal testimony on Project need is to respond to the direct

testimony of Mr. Greg Rockrohr on behalf of the Illinois Commerce Commission (ICC) Staff. In his direct testimony, Mr. Rockrohr considers whether ATXI has adequately demonstrated that MVP16 will, consistent with the requirements of Section 8-406 of the Illinois Public Utilities Act (the Act), "promote the development of an effectively competitive electricity market that operates efficiently … [and] ... is equitable to all customers." He concludes that ATXI provides adequate evidence to demonstrate MVP16 would be needed without completion of the Rock Island Clean Line (Rock Island) merchant transmission project, but ATXI witnesses did not consider outcomes when the Rock Island project, which has received a Certificate of Public Convenience and Necessity (Certificate) from the ICC, is in service. In data requests, he also indicates that outcomes with another transmission project that has received a Certificate from the ICC—the Grand Prairie Gateway (Gateway) project—are also of interest. In response, my rebuttal testimony evaluates whether MVP16 "will promote an effectively competitive electricity market," taking into account these other projects.

Q. What are your conclusions?

A. In this testimony, I evaluate the impacts of the development of MVP16 on locational marginal prices (LMPs), customer payments and power supplies under several cases in which the Gateway and Rock Island projects are assumed to be in service. As in my direct testimony, I find that LMPs within MISO Illinois will fall, payments by MISO Illinois customers will decline and the supply of power into MISO Illinois will increase when MVP16 is in service—even with both Rock Island and Gateway in service.[1] Based on this evidence, I conclude, that MVP16

[1] As described in my direct testimony, my analysis focuses on the portion of Illinois located within the footprint of MISO where MVP 16 is to be constructed and located, which I refer to as "MISO Illinois".

"will promote the development of an effectively competitive electricity market that operates efficiently … [and] ... is equitable to all customers."

Q. Do you have any additional results to provide in your rebuttal testimony on Project need?

A. Yes. Along with providing this new analysis, I also update results provided in my direct testimony on Project need to account for updated estimates of MVP16 development costs. These updated values are provided in ATXI Exhibit ATXI 9.4N.Updated.

II. MR. ROCKROHR'S TESTIMONY

Q. In his testimony, did Mr. Rockrohr conclude that MVP16 would "promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and it the least cost means of satisfying those objectives"?

A. He stated that he didn't know, because the ATXI testimony in support of a demonstration of need for MVP16 did not consider cases in which the Rock Island project is in service. As a result, he concludes that ATXI has not demonstrated that MVP16 would be needed with the addition of the Rock Island project.[2] Although Mr. Rockrohr recognizes that approval of the Rock Island project Certificate application occurred after my testimony was filed, he concludes that in rebuttal testimony I should evaluate market impacts with the Rock Island project in service.

Q. In data requests, does Mr. Rockrohr identify other projects that he believes should also be evaluated to demonstrate the need for MVP16?

[2] Direct Testimony of Greg Rockrohr, ICC Docket No. 14-0514, ICC Staff Exhibit 1.0N, December 15, 2014, p. 10.

A. Yes, as stated above, in Data Request ENG-ATXI 3.02, Mr. Rockrohr requests information on the impacts to LMPs, customer payments and resource supplies from MVP16 when the Gateway project is in service. The Gateway project is a PJM-approved project that has recently received approval for its Certificate from the ICC.

Q. Does your rebuttal testimony address these projects?

A. Yes. In this rebuttal testimony, I provide analyses of the change in LMPs, customer payments and electricity supplies from the development of MVP16 (1) assuming that the Gateway project is in service and (2) assuming that both the Gateway and Rock Island projects are in service. These analyses differ from those provided in my direct testimony, which assumed the Rock Island and Gateway projects were not in service.

Q. How is the remainder of your testimony organized?

A. In Section III, I describe the Rock Island and Gateway projects and summarize the approach used to evaluating MVP16 under the assumption that these projects are in service. In Section IV, I provide estimates of the changes in LMPs, customer payments and supplies from the development of MVP16 when the Rock Island and Gateway projects are in service.

III. APPROACH TO ANALYSIS OF ROCK ISLAND AND GATEWAY

Q. Can you describe how you incorporate the Rock Island and Gateway projects in your analysis?

A. Yes. In my direct testimony, I evaluated the impact of MVP16 by comparing market outcomes between cases with and without MVP16 (assuming all other MVPs are in service). By comparing outcomes between these two cases, I estimated the impact that MVP16 development

would have on LMPs, customer payments and supply. In this prior analysis, neither the Rock Island nor the Gateway projects were assumed to be in service. In this rebuttal testimony, I evaluate the impact of MVP16 using the same tests, but under the assumption that the Rock Island and Gateway projects are in service, under various assumptions that are described below.

Q. What is your understanding of the Gateway project?

A. The Gateway project is an approximately 60-mile 345-kilovolt (kV) single circuit electric transmission line running generally from the western portion of the PJM Commonwealth Edison Company (ComEd) zone (at the Byron substation) to the bulk power facilities in the eastern portion of that zone (at the Wayne substation).[3] When in service, the Gateway project would be an integral element of the PJM transmission system that is operated by the PJM system operator to maintain reliable power supplies and provide a platform for the PJM wholesale power markets.

Q. What is your understanding of the Rock Island project?

A. Rock Island is a 600 kV direct-current (DC) merchant transmission line that would run between O'Brien County, Iowa in the MISO footprint to the Collins Substation near Chicago, Illinois in the PJM system.[4] The development of Rock Island would create an additional pathway for delivery of power from O'Brien County in northwest Iowa to the ComEd system near Chicago in PJM. Given the information provided by the project developer regarding the project's design, location and purpose, it is anticipated that the project will deliver power

[3] Direct Testimony of Neil Kaup, ICC Docket 13-0657, ComEd Exhibit 6.0 and 6.01.

[4] Direct Testimony of Michael Skelly, ICC Docket 12-0560, Rock Island Exhibit 1.0, October 10, 2012, p. 4 (Skelly Direct Testimony).

produced by wind generators in northwest Iowa.

Q. How would power producers contract for transmission service provided by the Rock Island project?

A. Because the Rock Island project is a merchant transmission project, accessing its services is unlike the Gateway project or the MISO MVPs, which are accessed as integral elements of their respective ISO's systems. To deliver power over the Rock Island project, wind developers would need to enter into a long-term contract with the Rock Island project's operator (Rock Island Clean Line LLC) that would likely require fixed payments for use of a portion of the line's capacity and potentially additional fees associated with the flow of power over the line.[5] As a result, power producers would incur additional costs for the use of the project to deliver power from northwest Iowa to PJM near Chicago. At present, the level of these costs is uncertain, although presumably they would need to be sufficiently high to allow Rock Island developers to recover the estimated $2 billion construction costs, subsequent operational costs and, potentially, additional costs associated with transmission system reliability upgrades.[6]

Q. Would power producers seeking to use MVP16 face similar contractual requirements?

A. No. Under the MISO transmission tariff, the costs of the MVP Portfolio are recovered through payments by load (using an allocation of costs based on energy withdrawals), not through payments by generators. Thus, to the extent that new wind resources can be delivered without the need for reliability upgrades, developers of new wind resources would not need to

[5] Direct Testimony of David Berry, ICC Docket 12-0560, Rock Island Exhibit 10.0, October 10, 2012, p. 38.

[6] Skelly Direct Testimony, p. 33.

incur additional costs for transport of wind resources supported by the MVP Portfolio.

Q. Do these differences have implications for the likelihood that the Rock Island project is developed?

A. Yes, quite possibly. FERC has already approved cost recovery for all MVP projects through the MISO transmission tariff through payments by load. Because cost recovery has already been approved, there is a clear pathway for cost recovery for each of the MVP elements. As a result, the companies assigned to develop MVPs can make the needed project investments with substantial assurance that they can earn return of and on capital invested in the projects. Moreover, these companies have an affirmative obligation to develop these projects per the MISO tariff.[7]

By contrast, cost recovery for the Rock Island merchant project relies on payments through individual contracts with power suppliers that want to deliver power from northwest Iowa to PJM. In order for the merchant project to obtain financing for construction, project developers must secure commitments in the form of long-term contracts for a sufficient share of the line's capacity to give investor's confidence that the developers of the Rock Island project will be able to repay borrowed funds and provide a reasonable return on equity. Given the project's size, a large quantity of resources will need to be committed through long-term

[7] MISO tariff, Rate Schedule 1, Appendix B - PLANNING FRAMEWORK, 31.0.0, Effective On: June 1, 2013. "The designated Owner or Selected Transmission Developer, as defined in the Tariff, has the responsibility and obligation to construct the facilities it is designated to construct. If the designated Owner and/or Selected Transmission Developer is financially incapable of carrying out its construction responsibilities or would suffer demonstrable financial harm from such construction, alternate construction arrangements shall be identified."

agreements to secure sufficient finance to develop the project.[8] Interest by wind power developers in signing such an agreement will depend on many factors, including expected power prices in PJM, alternative means of delivering power, and the risks associated with a long-term contract. The status of efforts to secure these contracts is not public information. As of November 25, 2014, when Rock Island project received its Certificate in Illinois, it is unlikely that the project had secured any contracts.[9] As a result of these factors, there is significantly greater uncertainty that the Rock Island Clean Line merchant project will be developed in comparison to MVP16.

Q. What assumptions do you make about the Rock Island project when analyzing its economic impacts?

A. When analyzing the Rock Island project, I consider outcomes for three levels of power flow that each correspond to different assumptions about the development of new wind resources that may choose to flow power through the Rock Island project and the development of transmission resources in PJM to support new power from the Rock Island project. The first level of power flow is based on the assumption that there is no change in load and generation assumptions from those used in my direct testimony. In Data Request ENG-ATXI 3.02, the Staff requested estimates of the economic impacts of MVP16 with the Rock Island project in service *and* no change in load and generation assumptions from assumptions used in developing ATXI

[8] Rock Island testimony suggests that Rock Island developers need to obtain contractual commitments from so-called "anchor tenants" for roughly 75 % of the line's 3,500 MW of capacity to secure finance. Additional Supplemental Direct Testimony of David Berry, ICC Docket 12-0560, Rock Island Exhibit 10.13, December 18, 2012, p. 6-7.

[9] In fact, Rock Island developers argued that Certificate approval was necessary for the project to begin to secure commitments from wind project developers. Rebuttal Testimony of David Berry, ICC Docket 12-0560, Rock Island Exhibit 10.14.Revised, August 20, 2013, p. 23 (Berry Rebuttal Testimony).

Exhibits 9.3N to 9.6N. As discussed in the ATXI response, under these assumptions, it would be reasonable to assume that no power would flow over the Rock Island project. This conclusion arises due to several factors.

First, in my direct testimony, all new wind resources developed within the MISO footprint can deliver power to loads within MISO when the MVP Portfolio is in service. The MVP Portfolio was designed and deemed necessary by the independent MISO Board of Directors to support the delivery of new wind generation sufficient to meet state RPS requirements. The wind generation levels assumed in my testimony are the same as those made in the MVP Report performed by MISO, which was designed to measure the MVP Portfolio's economic benefits.

Second, for power to flow over the Rock Island project, wind power generators in MISO would need to opt to enter into long-term contracts for delivery of wind resources rather than deliver their wind power at no additional costs within MISO. Given these incremental costs and the need for a long-term contractual commitment, it is reasonable to conclude that wind resources supported by the MVP portfolio would flow power into MISO rather than delivering power into PJM through the Rock Island project. In other words, no power would flow through the Rock Island project. As a result, a case that assumes the same wind resources as those assumed in my direct testimony is captured by a case that assumes that the Gateway project, but not the Rock Island project, is in service.

Q. Does testimony on the Rock Island project support this conclusion?

A. Yes. For example, David Berry, Executive Vice President of Clean Line Energy Partners, the developer of the Rock Island project, testified that MVP16 and Rock Island were

not *alternatives*: "No, the Rock Island Project and the MISO MVP Projects cannot be considered alternatives because they have different objectives and will accomplish different things."[10] He elaborates that the Rock Island project's "primary purpose … is to deliver low-cost renewable energy to PJM" and notes that PJM is currently not planning to develop region-wide projects to help meet state RPS requirements, such as the MVP Portfolio.[11] By contrast, the MVP Portfolio is designed specifically to help achieve RPS goals within the MISO footprint (along with providing other economic and reliability benefits).[12] Thus, the developers of the Rock Island project recognize that its project is not designed to compete with nor be a substitute for the transmission services provided by MISO's MVP Portfolio, but is designed to support delivery of power into PJM.

Q. Does the testimony by developers of the Rock Island project have implications for the relevance of the Rock Island project for the propriety or need for MVP16?

A. Yes, I believe so. As indicated above, the Rock Island developers clearly state that its purpose is to deliver wind power into PJM, not MISO. By contrast, MVP16 is designed to support delivery of wind power into MISO needed to achieve MISO-state RPS goals, along with providing other economic and reliability benefits. Even if the Rock Island developers are successful in finding wind generators willing to enter into the long term contracts needed to develop the Rock Island project, it would not displace these benefits created by MVP16.

[10] Berry Rebuttal Testimony, p. 60.

[11] Berry Rebuttal Testimony, pp. 58, 60-61.

[12] Berry Rebuttal Testimony, pp. 60.

Q. Do you consider cases in which additional wind resources beyond those assumed in your direct testimony are developed?

A. Yes, I consider two additional scenarios representing two different levels of power flows through the Rock Island project. In one scenario, I assume that up to 700 MW of wind power is delivered through the Rock Island project. Although, the Rock Island project as currently proposed would be capable of transferring up to 3,500 MW of power, the current ability of the PJM system to receive and deliver such power flows is far more constrained. My understanding is that, because of reliability constraints within the PJM system, PJM is currently only able to offer the Rock Island project 700 MW of "firm" capacity.[13] Because of this limitation, PJM could potentially constrain the delivery of supplies in excess of 700 MW at any point in time depending upon system conditions and power flows within the PJM system. As a result, I analyze one case in which power flows over the Rock Island project are limited to this level of 700 MW of firm capacity.

Q. Do you also consider a case in which power flows through the Rock Island project exceed the project's current firm capacity into PJM?

A. Yes, I do. In an alternative scenario, I assume that the Rock Island project is able to deliver wind power into PJM up to its full expected capability of 3,500 MW, and that these supplies can be delivered to load throughout the ComEd service territory.

Q. Is this a feasible case given the current PJM transmission infrastructure?

A. No, it is not. As I discuss above, given the current PJM transmission infrastructure, only

[13] PJM, "PJM Merchant Transmission Request," Queue #S57/S58, Collins 765 kV Retool System Impact Study Report, Updated September 2014.

700 MW of capacity could be delivered on a firm basis into PJM without reliability upgrades. Rock Island developers have made an interconnection request to PJM for an additional 492 MW of firm transmission capacity (for a total of 1,192 MW). After studying this request, PJM has identified significant transmission upgrades, including new 765 kV and 345 kV lines, that would need to be implemented before this additional 492 MW of firm transmission capacity could be made available. Even with these upgrades, PJM would only be able to provide 1,192 MW of firm capacity, which is well below the 3,500 MW assumed in this scenario. PJM estimates that the reliability upgrades needed to provide an additional 492 MW of firm capacity would require estimated costs of approximately $467 million,[14] which represents nearly a 25 percent increase in the estimated $2 billion cost to develop the Rock Island project.[15] Moreover, I understand that certain of these upgrades would require regulatory approval by state regulators, including the ICC and commissions in other states. I also understand that Rock Island developers have not made requests for additional firm transmission capacity above 1,192 MW and therefore any further upgrades necessary to support 3,500 MW of capacity have not yet been identified by PJM. However, it is reasonable to assume that reliability upgrades to ensure delivery of 3,500 MW of firm power would entail additional, potentially significant, system upgrade costs as well as the need for further approvals by state regulators.

Q. Please describe the scenarios evaluated in this rebuttal testimony.

A. In this testimony, the following three cases are evaluated:

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[14] PJM, "PJM Merchant Transmission Request," Queue #U3-026, Collins 765 kV, DOCS#: 704214v6, November 2012, p. 8.

[15] Skelly Direct Testimony, p. 33.

1. *Case 1 – With Gateway Only*. In this case, the Gateway project is in service, but the Rock Island project is not in service.
2. *Case 2 – With Rock Island (700 MW) and Gateway*. In this case, the Rock Island and Gateway projects are in service, and power supplies of up to 700 MW are delivered over the Rock Island project.
3. *Case 3 – With Rock Island (3,500 MW) and Gateway*. In this case, the Rock Island and Gateway projects are in service, and power supplies of up to 3,500 MW are delivered over the Rock Island project.

Since the Gateway project has been reviewed and approved by PJM as being necessary and has received a Certificate, it is assumed to be in service in all cases. For each case, outcomes are evaluated for four scenarios, including: Business As Usual, Low Demand; Business As Usual, High Demand; Combined Energy Policy; and Carbon Constrained. These scenarios are the four scenarios used by MISO to evaluate alternative economic and policy uncertainties in its MVP Report.[16] The assumptions made in these scenarios are provided in ATXI Exhibit 9.2N.

Q. Aside from the inclusion of the Rock Island and Gateway projects in both with and without MVP16 cases, does your analysis of MVP16 otherwise differ from the analysis in your direct testimony?

A. No, with one minor exception. Estimated costs of construction for MVP16 have been updated to reflect new information on project costs. Otherwise, the analysis remains the same. Further details on the approach used to analyze MVP16 are provided in ATXI Exhibit 9.2N of my direct testimony.

[16] MISO, "Multi Value Project Portfolio, Results and Analyses," January 10, 2012, p. 52.

IV. RESULTS

Q. Can you describe the overall framework you use for reporting the results of your analysis?

A. Yes. I report a separate set of results for each of the three cases. For each case, results are reported in a series of tables with the same information and format as that provided in exhibits in my direct testimony (i.e., ATXI Exhibits ATXI 9.3N to 9.6N.) The results in ATXI Exhibit ATXI 17.1N correspond to cases with only the Gateway project in service, ATXI Exhibit ATXI 17.2N corresponds to cases with the Gateway and Rock Island projects in service and 700 MW of power flowing through the Rock Island project, and ATXI Exhibit ATXI 17.3N corresponds to the case with the Gateway and Rock Island projects in service and 3,500 MW of power flowing through the Rock Island project.

Q. Overall, what do these exhibits show?

A. Wholesale electric energy prices in the MISO Illinois region, as measured by the average LMPs, are lower with MVP16 in service for all cases (with one exception). Similarly, MVP16 will lead to substantial reductions in payments by customers in the MISO Illinois region. And, MVP16 would also increase electricity supply into the MISO Illinois region for all of the cases and scenarios evaluated. In sum, MVP16 will provide pro-competitive benefits even with Gateway and Rock Island in service.

Q. Please describe the results in ATXI Exhibit 17.1.1N, LMP Reduction Due to MVP16, With Gateway in Service.

A. ATXI Exhibit 17.1.1N provides the change in LMPs from the development of MVP16 under the assumption that the Gateway project is in service. Wholesale electric energy prices in

the MISO Illinois region, as measured by the average LMPs, are lower with MVP16 for all of the scenarios evaluated. Across these scenarios, with the Gateway project in service, the reduction in prices in the MISO Illinois region from MVP 16MVP16 range from $0.21 to $0.64 per MWh in 2021, and $0.38 to $0.87 per MWh in 2026. It is a pro-competitive outcome when prices are reduced in this fashion; as such, constructing and energizing MVP16 will be pro-competitive.

Q. Please describe the results in ATXI Exhibit 17.1.2N, Payment Reduction Due to MVP 16, With Gateway in Service.

A. ATXI Exhibit 17.1.2N provides a conservative depiction of the estimated payment reductions for MISO Illinois customers as a result of MVP16, while ATXI Exhibit 17.1.3N provides annual changes in payments for each scenario. These estimates reflect both the change in energy payments and transmission charges (from MVP16). However, because they do not include all potential changes in payments, such as changes in payments associated with capacity or operating reserve requirements, they would tend to understate the reduction in customer payments. With the Gateway project in service, MVP16 will lead to substantial reductions in payments by customers in the MISO Illinois region. These reductions in payments range from $232 million to $692 million with a 3 percent discount rate. With an 8.2 percent discount rate, estimated reductions in payments range from $102 million to $315 million.

Q. Please describe the results in ATXI Exhibit 17.1.4N, Increased Supply to MISO Illinois Region Due to MVP16, With Gateway in Service.

A. ATXI Exhibit 17.1.4N depicts the increase in electricity supply to the MISO Illinois region as a result of MVP16. This analysis uses a measure of Economic Capacity that is described more fully in my direct testimony. With the Gateway project in service, MVP

16MVP16 would increase electricity supply into the MISO Illinois region, which is a pro-competitive outcome and thus consistent with the requirements of Section 8-406 of the Act. Increases range from 102 MW to 213 MW across the scenarios evaluated.

Q. Please describe the results when the Rock Island project is assumed to be in service, with flows of up to 700 MW of wind power.

A. ATXI Exhibit 17.2N depicts the change in LMPs, customer payments and supplies from the development of MVP16 when the Rock Island project is in service with flows of up to 700 MW of wind power and the Gateway project is in service. As shown in ATXI Exhibit 17.2.1N, with MVP16 in service, LMPs in MISO Illinois decline by $0.15 to $0.45 per MWh in 2021. In 2026, LMPs reductions range from $0.24 to $0.86 per MWh with MVP16 in service, and there is one case with an LMP increase ($0.22 per MWh). Similarly, MVP16 reduces MISO Illinois customer payments in three of four cases, as shown in ATXI Exhibit 17.2.2N. These changes in payments range from an increase of $170 million to a decrease of $674 million with a 3 percent discount rate. With an 8.2 percent discount rate, the change in payments range from an increase of $42 million to a decrease of $313 million. Finally, the development of MVP16 increases power supplies to the MISO Illinois region by 91 MW to 197 MW across the scenarios evaluated (ATXI Exhibit 17.2.4N). These results indicate that MVP16 would result in pro-competitive outcomes consistent with the requirements of Section 8-406 of the Act when Rock Island project is in service with flows of up to 700 MW of wind power.

Q. Does the fact that estimated MISO Illinois LMP and customer payments increases in one case suggest that MVP16 would not be pro-competitive?

A. No, for several reasons. First, across all cases and scenarios analyzed in my direct and

rebuttal testimonies, MVP16 reduces LMPs in MISO Illinois in 31 of 32 of these cases/scenarios. Moreover, the average percent reduction in MISO Illinois LMP across all cases—1.06 percent—is nearly five times greater than the LMP percent increase in this one case (0.2 percent).[17] Thus, my analysis provides substantial evidence that MVP16 would reduce MISO LMPs, which is consistent with a pro-competitive outcome. Second, the particular scenario in which MISO LMPs increased is the Combined Energy Policy scenario in 2026. MISO considered this scenario to be relatively unlikely compared to the other scenarios evaluated, as reflected by the fact that MISO placed on low weight—16 percent—on results from this scenario when developing aggregated metrics.[18] Third, as discussed above, there is considerable uncertainty about the development of the Rock Island project, and thus there is uncertainty about whether this particular case—which assumes that the Rock Island project is in service and has flows of up to 700 MW of wind power—will ever occur. Fourth, while LMPs increase in the Combined Energy Policy scenario in 2026, MVP16 leads to increased electricity supplies into MISO Illinois in this case (as is true in all the cases and scenarios that I analyze). Consequently, from the standpoint of changes in power supplies, my analysis finds that MVP16 is pro-competitive in all cases and scenarios evaluated.

Q. Are results similar when power flows over the Rock Island project are increased to 3,500 MW?

A. Yes. ATXI Exhibit 17.3N provides estimated impacts when the Rock Island project is in service with flows of up to 3,500 MW of wind power and the Gateway project is in service.

[17] This estimate reflects the simple, unweighted average across all cases and scenarios with a reduction in MISO Illinois LMP.

[18] MISO, "MVP Detailed Business Case.xlsx", available at: https://www.misoenergy.org/Library/Pages/ManagedFileSet.aspx?SetId=953.

These results continue to support the conclusion that MVP16 would result in pro-competitive outcomes consistent with the requirements of Section 8-406 of the Act. As shown in ATXI Exhibit 17.3.1N, with MVP16 in service, LMPs in MISO Illinois decline by $0.10 to $0.82 per MWh in 2021, and $0.20 to $0.93 per MWh in 2026. The corresponding decline in MISO Illinois customer payments (ATXI Exhibit 17.3.2N) ranges from $116 million to $760 million with a 3 percent discount rate, and $56 million to $350 million with an 8.2 percent discount rate. The development of MVP16 also increases supplies to the MISO Illinois region by 58 MW to 167 MW across the scenarios evaluated (ATXI Exhibit 17.3.4N).

Q. In sum, do the results of your analysis confirm that conclusion that MVP16 would be pro-competitive and consistent with the requirements of Section 8-406 of the Act?

A. Yes. Across the cases evaluated, which assume the Gateway and Rock Island projects are in service in various combinations, MVP16 is expected to lower LMPs and customer payments, while increasing supply, in the MISO Illinois area. Each of these outcomes is consistent with "the development of an effectively competitive electricity market", and thus is consistent with the requirements of Section 8-406 of the Act.

Q. Does this conclude your prepared rebuttal testimony on Project need?

A. Yes, it does.